

**OUR DAILY BREAD MINISTRIES TRUST**  
**REPORT OF THE TRUSTEES AND**  
**AUDITED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

Scott & Wilkinson LLP  
Chartered Accountants and Statutory Auditors  
Dalton House  
9 Dalton Square  
LANCASTER  
LA1 1WD

**OUR DAILY BREAD MINISTRIES TRUST**

**CONTENTS OF THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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	<b>Page</b>
<b>Reference and Administrative Details</b>	1
<b>Report of the Trustees</b>	2 to 5
<b>Report of the Independent Auditors</b>	6 to 8
<b>Statement of Financial Activities</b>	9
<b>Balance Sheet</b>	10
<b>Cash Flow Statement</b>	11
<b>Notes to the Financial Statements</b>	12 to 20
<b>Detailed Statement of Financial Activities</b>	21 to 22

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## OUR DAILY BREAD MINISTRIES TRUST

### REFERENCE AND ADMINISTRATIVE DETAILS FOR THE YEAR ENDED 31 DECEMBER 2020

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<b>Trustees</b>	Mr R W DeHaan Mr A Plowman Mr P Baxendale Mr D Mills
<b>Principal address</b>	Unit 5 Shoreline Business Park Sandside MILNTHORPE LA7 7BF
<b>Registered charity number</b>	327384
<b>Auditors</b>	Scott & Wilkinson LLP Chartered Accountants and Statutory Auditors Dalton House 9 Dalton Square LANCASTER LA1 1WD
<b>Bankers</b>	National Westminster Bank Plc 35 Bishopgate LONDON EC2M 3UR

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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The trustees present their report with the financial statements of the charity for the year ended 31 December 2020. The trustees have adopted the provisions of Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019).

**Objectives and activities**

The object of the Trust shall be the proclamation and furtherance of the Gospel of God concerning His Son Jesus Christ Our Lord, and the preaching and teaching of the Christian faith throughout the United Kingdom of Great Britain, the Continent of Europe and elsewhere by the organisation, sponsorship, promotion of non-denominational Christian work, seeking to present the Gospel to every creature by every means, and to lead men and women and children to a saving faith in Our Lord Jesus Christ and to help and encourage them in the service of God.

**- Aims of the charity**

The advancement and propagation of the Christian Faith through public proclamation, and through the distribution of Daily Devotional Materials and Biblical teaching resources through Study Booklets, television programmes, Audio and Visual teaching DVDs/CDs and online resources available on the websites and mobile applications the ministry provides. These are made available throughout Europe, the United Kingdom of Great Britain, and elsewhere. The global ministry produces material in over 55 different languages.

**- Activities**

The following are undertaken in pursuit of the charity's objectives:

- Publication and distribution in print and digitally of Our Daily Bread and other devotionals to encourage people to read the Word of God.
- Publication and distribution in print and digitally of teaching booklets to provide a better understanding of Scripture and its practical application.
- Publication and distribution in print and digitally of Looking at Life and Looking Deeper series to provide relevant resources for specific events or occasions.
- Distribution of audio and visual teaching materials.
- Making Our Daily Bread Ministries' audio and visual teaching material available to broadcasters.
- Sale of Christian books and resources to help people in their walk with our Lord Jesus Christ.
- Organising Bible conferences.

**- Main objectives for the year ended 31 December 2020**

A 'reset' plan was presented for 2020/21; this plan seeks to address the ministry challenges faced by the charity by refocusing our publishing to core activities, diversifying readership to serve the whole church, increasing productivity through a greater focus on individual development, team building and better alignment and by improving operational performance through simplification of systems and processes. This was broken in into four objectives:

- a. Focus our publishing - With a refocus on the quarterly devotional, a consolidation of our backlist and a new 'digital first' mindset for content creation.
- b. Diversify our readership - ODB is especially well-known and respected within the conservative evangelical Christian community. This is a relatively small part of the UK church, and we have the opportunity to reach out with existing and new resources to a much broader range of churches. We are developing 'Personas' to help us identify new readers.
- c. Increase our productivity - We are re-launching our HR programme with new job descriptions, annual reviews, a training and development programme and an overhaul of our Health & Safety provision. We have started further team communications with the overall aim to improve the culture, creativity and productivity of the office.
- d. Insist on Operational Excellence - With a new office/warehouse & CRM system, we are working to simplify our workflows and systems to make the operation even more efficient and effective.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Achievement and performance**

2020 will be remembered for the Coronavirus pandemic. During the first quarter of the year, there was a growing awareness of this threat to the world, but ministry activity carried on, initially, as expected. We held two Bible Conferences in March 2020; the first in Liverpool was extremely well attended, with a greater number of guests than in previous years. As the seriousness of Covid-19 grew, we made our plans and, as a team, discussed whether to continue with the second conference in London the following week. As it was still within government guidelines, we went ahead, though the attendance was much lower, with only 25% of previous attendees. The national lockdown came into effect the following week.

We initially closed the UK Our Daily Bread offices but re-opened with a skeleton staff (but no volunteers), however after 3 weeks as the volume of post received necessitated a return to the office. We shifted to a new pattern of working, with those who could, working from home, some staff were placed on furlough and those whose roles could only be done from the office, working in a new socially distanced manner from our units in Sandside Business Park.

We focused our efforts on ensuring that our readers received their regular copies of Our Daily Bread on time for the start of each quarter. We achieved this for all of our direct subscribers in 2020. We contacted our church and bulk distributors and gave them resources to allow their contacts to subscribe directly. We attracted nearly 15,000 new direct subscribers. It is a credit to our staff team's hard work and creativity that so many readers continued to receive a consistent service from the charity.

We also pivoted our content and marketing teams to react to our reader's needs during the UK lockdowns by creating new and distinct digital resources. We released biblical reflections each time the UK government gave significant updates. We published other more digital-first resources, such as an Instagram book by book Bible overview series for youth, Prayers at 7pm and small group resources and videos for the Journey Through series. We were gratified to see readers respond with an exponential increase in reactions and engagement on our various social media channels. In particular, between April to Dec 2020 the reactions to our Facebook posts nearly quadrupled over the same period in 2019 and the likes on Instagram were close to six times the previous year.

From the end of the first lockdown in July to the end of the year, we also saw a significant increase in the number of phone calls and post received to the charity. Our readers and supporters responded positively to our resources and offers. Our Summer & Winter newsletters were particularly well received with a healthy increase in daily orders. We have also been blessed with a good increase in donations and legacies. The Member Services and logistics teams all found new ways of working that better served our readers.

We also completed several projects:

- **The Teen Challenge App** was released in June. The new app, now called Bible Basecamp, is aimed at younger teenagers (10-15) and offers multi-player reading plans (drawn from our Teen Annuals) on age-group relevant topics, such as 'Can I Trust the Bible?', 'Exam Stress' and 'Living for God'. We are soft-launching it with staff and local churches to test and gather feedback. We will launch the app to our whole readership in September. We are starting to translate the app and its content into Russian and German. The app is currently listed on app stores in Europe, Africa, Latin America & Singapore.
- **Resources ordering system.** We have launched the first phase of a new ordering system for the ODB website in English in Europe. This is an entirely new shopping cart system for local resources. With the Covid lockdown still causing capacity issues for the UK office, we haven't yet made our physical inventory live, but this will happen by the end of July. This new ordering system will significantly improve the user experience and will allow us to promote digital ordering and reduce the volume of post and telephone calls.
- **Bible studies for the 'Journey Through' series.** We have created free, downloadable Bible studies to accompany the Journey Through books. These Bible Studies contain a series overview, leaders guide, members notes for each book. We are also producing introductory videos. These studies will help us transition the series from the free (i.e. expensive individual subscription model) to a digital and paid for programme.

2020 was a highly challenging but productive year for the charity. We continued to serve our print subscribers, and we pivoted quickly to offer new digital resources and social media content. We spent time reviewing and improving our internal processes, data analysis and leadership structure.

## OUR DAILY BREAD MINISTRIES TRUST

### REPORT OF THE TRUSTEES FOR THE YEAR ENDED 31 DECEMBER 2020

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We're also deeply grateful for the support of our local volunteers. They come in to help us prepare and pack our regular mailings and fulfil orders for our ministry resource and publishing titles. This wonderful team has supported us this year through lockdowns in prayer and in-person in line with government guidelines.

The UK office also serves as a regional hub for other Our Daily Bread offices throughout Europe. The travel restrictions curtailed all travel to these countries though we continued to meet via video calls. The print work in other countries was reduced due to funding and travel constraints. The Brexit Agreement was made at the end of 2020 and we have already noted price increases and shipping delays.

We are grateful for all that God continues to do through the work of Our Daily Bread in Europe. We pray for his wisdom and guidance as we seek to serve our readers with biblical resources that lead people of all nations to experience a personal relationship with Christ, growing to be more like Him, and serving in a local body of His family.

#### **- Public benefit**

The trustees have complied with the duty in section 17 of the Charities Act 2011 to have due regard to the public benefit guidance published by the Charity Commission.

#### **Financial review**

Total incoming resources for the year were £2,269,360 compared to £2,217,556 for the previous year. This includes income from International Support which amount to £193,550 from the US this year (2019 - £456,380). Legacies and bequests in 2020 were similar to the previous year. Underlying donations in 2020 (including gift aid) were 11.0% greater than the previous year. Total resources expended for the year to 31 December 2020 were £1,937,059 compared to £2,028,685 for the previous year. Consequently net incoming resources in the year to 31 December 2020 were £332,301 compared to the previous year of £188,871.

The net assets of the charity were £1,338,960 at 31 December 2020 compared to £1,009,659 at 31 December 2019.

#### **Reserves policy**

Our Daily Bread Ministries Trust has in place a reserves policy which currently serves four primary purposes:

1. To allow for financial cycles. Our ministry income and expenses are cyclical, and there is a need to accumulate funds throughout the year during high levels of giving in order to cover expenses incurred during low levels of giving.
2. To seize opportunities. We are a regional office for Our Daily Bread Europe and it is prudent to hold some reserve funds to take advantages of opportunities that may present themselves during the fiscal year for which there was no budget allocated. Often needs arise during times of crisis that would call for the use of funds not previously budgeted.
3. To keep on hand a minimum of three to six months operating expenses which would allow us to continue to operate the ministry during that period even in the event of a total loss of income.
4. To build up sufficient reserves to be able to fund any facilities development.

The trustees' target level of free reserves is £700,000. At 31 December 2020 the actual level of free reserves was £557,992 (2019 - £181,107). The trustees will take steps during future periods to maintain free reserves at an amount similar to the target level.

#### **Future plans**

As we look to the future, we will continue to build resilience into the ministry by stewarding our resources carefully, simplifying our systems and processes and developing new resources for existing and future readers.

#### **Structure, governance and management**

Our Daily Bread Ministries Trust is an Unincorporated Association governed by a declaration of Trust dated 27 February 1987 as amended by deeds of variation dated 5 October 1999 and 12 May 2006. Appointment of trustees is vested in the trustees.

**REPORT OF THE TRUSTEES  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**Statement of trustees' responsibilities**

The trustees are responsible for preparing the Report of the Trustees and the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"

The law applicable to charities in England and Wales, the Charities Act 2011, Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed requires the trustees to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources, including the income and expenditure, of the charity for that period. In preparing those financial statements, the trustees are required to

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charity SORP;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in business.

The trustees are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities Act 2011, the Charity (Accounts and Reports) Regulations 2008 and the provisions of the trust deed. They are also responsible for safeguarding the assets of the charity and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Approved by order of the board of trustees on ..... May 2021 and signed on its behalf by:

.....  
Mr R W DeHaan - Trustee

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF OUR DAILY BREAD MINISTRIES TRUST**

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### **Opinion**

We have audited the financial statements of Our Daily Bread Ministries Trust (the 'charity') for the year ended 31 December 2020 which comprise the Statement of Financial Activities, the Balance Sheet, the Cash Flow Statement and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In our opinion the financial statements:

- give a true and fair view of the state of the charity's affairs as at 31 December 2020 and of its incoming resources and application of resources, for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'; and
- have been prepared in accordance with the requirements of the Charities Act 2011.

### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We are independent of the charity in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the trustees' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the charity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the trustees with respect to going concern are described in the relevant sections of this report.

### **Other information**

The trustees are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Report of the Independent Auditors thereon.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Charities (Accounts and Reports) Regulations 2008 requires us to report to you if, in our opinion:

- the information given in the Report of the Trustees is inconsistent in any material respect with the financial statements; or
- sufficient accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records and returns; or
- we have not received all the information and explanations we require for our audit.

## REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF OUR DAILY BREAD MINISTRIES TRUST

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### Responsibilities of trustees

As explained more fully in the Statement of Trustees' Responsibilities, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the trustees are responsible for assessing the charity's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

### Our responsibilities for the audit of the financial statements

We have been appointed as auditors under Section 144 of the Charities Act 2011 and report in accordance with the Act and relevant regulations made or having effect thereunder.

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue a Report of the Independent Auditors that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

- enquiries are made of management and those charged with governance as to whether there is any knowledge of actual, suspected, or alleged fraud, whether there is any known non-compliance with laws or regulations, and whether the charity has been subject to any litigation or any legal claims.
- minutes of meetings of management and those charged with governance are reviewed.
- audit work over the risk of management override of controls is undertaken. This includes testing of journal entries and other adjustments for appropriateness, evaluating the rationale of significant transactions outside the normal activities of the charity and reviewing accounting estimates for bias.
- analytical reviews are performed on the financial statements at all stages of the audit by comparison to prior years, budgets and expectations to ensure the reasonableness of the figures therein.
- third party confirmation is obtained from the charity's bankers to confirm bank balances, loan facilities and security held.
- detailed audit testing is undertaken in specific areas to ensure that income and expenditure is correctly recorded and is a genuine income or expense of the charity.
- enquiries are made of entity staff in tax and compliance functions to identify any instances of non-compliance with laws and regulations.
- financial statement disclosures are reviewed and tested to supporting documentation to assess compliance with applicable laws and regulations.

Due to the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our Report of the Independent Auditors.

## **REPORT OF THE INDEPENDENT AUDITORS TO THE TRUSTEES OF OUR DAILY BREAD MINISTRIES TRUST**

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### **Use of our report**

This report is made solely to the charity's trustees, as a body, in accordance with Part 4 of the Charities (Accounts and Reports) Regulations 2008. Our audit work has been undertaken so that we might state to the charity's trustees those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Scott & Wilkinson LLP

Chartered Accountants and Statutory Auditors

Eligible to act as an auditor in terms of Section 1212 of the Companies Act 2006

Dalton House

9 Dalton Square

LANCASTER

LA1 1WD

Date: ..... May 2021

# OUR DAILY BREAD MINISTRIES TRUST

## STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	Notes	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
<b>Income and endowments from</b>					
Donations and legacies	2	1,704,160	-	1,704,160	1,573,560
<b>Charitable activities</b>	4				
Christian literature		236,458	-	236,458	164,439
International ministry		17,557	-	17,557	22,815
Investment income	3	112	-	112	362
Other income	5	311,073	-	311,073	456,380
<b>Total</b>		<u>2,269,360</u>	<u>-</u>	<u>2,269,360</u>	<u>2,217,556</u>
<b>Expenditure on</b>					
<b>Charitable activities</b>	6				
Christian literature		307,951	-	307,951	234,070
International ministry		414,511	-	414,511	465,873
Biblical literature		1,214,597	-	1,214,597	1,328,742
<b>Total</b>		<u>1,937,059</u>	<u>-</u>	<u>1,937,059</u>	<u>2,028,685</u>
<b>NET INCOME</b>		<u>332,301</u>	<u>-</u>	<u>332,301</u>	<u>188,871</u>
<b>Reconciliation of funds</b>					
<b>Total funds brought forward</b>		<u>1,009,659</u>	<u>-</u>	<u>1,009,659</u>	<u>820,788</u>
<b>Total funds carried forward</b>		<u><u>1,341,960</u></u>	<u><u>-</u></u>	<u><u>1,341,960</u></u>	<u><u>1,009,659</u></u>

The notes form part of these financial statements

# OUR DAILY BREAD MINISTRIES TRUST

## BALANCE SHEET 31 DECEMBER 2020

	Notes	2020 £	2019 £
<b>Fixed assets</b>			
Tangible assets	13	783,968	828,552
<b>Current assets</b>			
Stocks	14	78,574	54,566
Debtors	15	94,158	70,734
Cash at bank and in hand		504,980	186,716
		<u>677,712</u>	<u>312,016</u>
<b>Creditors</b>			
Amounts falling due within one year	16	(119,720)	(130,909)
		<u>557,992</u>	<u>181,107</u>
<b>Net current assets</b>			
<b>Total assets less current liabilities</b>		1,341,960	1,009,659
		<u>1,341,960</u>	<u>1,009,659</u>
<b>NET ASSETS</b>			
<b>Funds</b>	18		
Unrestricted funds		1,341,960	1,009,659
		<u>1,341,960</u>	<u>1,009,659</u>
<b>Total funds</b>			
		<u>1,341,960</u>	<u>1,009,659</u>

The financial statements were approved by the Board of Trustees and authorised for issue on ..... May 2021 and were signed on its behalf by:

.....  
Mr R W DeHaan - Trustee

The notes form part of these financial statements

**OUR DAILY BREAD MINISTRIES TRUST**

**CASH FLOW STATEMENT  
FOR THE YEAR ENDED 31 DECEMBER 2020**

	<b>Notes</b>	<b>2020 £</b>	<b>2019 £</b>
<b>Cash flows from operating activities</b>			
Cash generated from operations	21	326,291	(38,220)
Net cash provided by/(used in) operating activities		326,291	(38,220)
<b>Cash flows from investing activities</b>			
Purchase of tangible fixed assets		(8,139)	(17,526)
Interest received		112	362
Net cash used in investing activities		(8,027)	(17,164)
<b>Change in cash and cash equivalents in the reporting period</b>		318,264	(55,384)
<b>Cash and cash equivalents at the beginning of the reporting period</b>		186,716	242,100
<b>Cash and cash equivalents at the end of the reporting period</b>		504,980	186,716

The notes form part of these financial statements

**NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 DECEMBER 2020**

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**1. Accounting policies**

**Basis of preparing the financial statements**

The financial statements of the charity, which is a public benefit entity under FRS 102, have been prepared in accordance with the Charities SORP (FRS 102) 'Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102) (effective 1 January 2019)', Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' and the Charities Act 2011. The financial statements have been prepared under the historical cost convention.

**Income**

All income is recognised in the Statement of Financial Activities once the charity has entitlement to the funds, it is probable that the income will be received and the amount can be measured reliably.

**Expenditure**

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that a transfer of economic benefits will be required in settlement and the amount of the obligation can be measured reliably. Expenditure is accounted for on an accruals basis and has been classified under headings that aggregate all cost related to the category. Where costs cannot be directly attributed to particular headings they have been allocated to activities on a basis consistent with the use of resources.

**Allocation and apportionment of costs**

Indirect costs, including support and governance costs have been apportioned to the charity's activities using a basis consistent with the use of resources. For example, staff costs are apportioned by time spent, property costs by floor area and other costs by their usage.

**Tangible fixed assets**

Depreciation is provided at the following annual rates in order to write off each asset over its estimated useful life.

Long leasehold	- 2% - 5% Straight line
Fixtures and fittings	- 25% Straight line

Individual fixed assets costing £500 or more are recognised as assets and initially recorded at cost (or deemed cost) or valuation less accumulated depreciation and accumulated impairment losses. Cost includes costs directly attributable to making the asset capable of operating as intended.

**Stocks**

Stocks are valued at the lower of cost and net realisable value, after making due allowance for obsolete and slow moving items.

Stock is valued at the lower of cost and estimated selling price less costs to sell, after due regard for slow moving and obsolete stocks. Cost is determined using the first-in, first-out (FIFO) basis.

**Taxation**

The charity is exempt from tax on its charitable activities.

**Fund accounting**

Unrestricted funds can be used in accordance with the charitable objectives at the discretion of the trustees.

Restricted funds can only be used for particular restricted purposes within the objects of the charity. Restrictions arise when specified by the donor or when funds are raised for particular restricted purposes.

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**1. Accounting policies - continued**

**Fund accounting**

Further explanation of the nature and purpose of each fund is included in the notes to the financial statements.

**Foreign currencies**

Assets and liabilities in foreign currencies are translated into sterling at the rates of exchange ruling at the balance sheet date. Transactions in foreign currencies are translated into sterling at the rate of exchange ruling at the date of transaction. Exchange differences are taken into account in arriving at the operating result.

**Pension costs and other post-retirement benefits**

The charity operates a defined contribution pension scheme. Contributions payable to the charity's pension scheme are charged to the Statement of Financial Activities in the period to which they relate.

**Going concern**

There are no material uncertainties regarding the charity's ability to continue as a going concern.

**Government grants**

The company receives government grants. These grants are recognised at the fair value of the amount received or receivable when there is reasonable assurance that the company will comply with conditions attaching to them and the grants will be received using the accrual model.

**2. Donations and legacies**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Donations	1,438,380	1,296,291
Gift aid	115,764	111,136
Legacies	150,016	166,133
	<u>1,704,160</u>	<u>1,573,560</u>

**3. Investment income**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Deposit account interest	<u>112</u>	<u>362</u>

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

4. Income from charitable activities

	Activity	2020 £	2019 £
Christian literature	Christian literature	236,458	164,439
International support	International ministry	17,557	22,815
		<u>254,015</u>	<u>187,254</u>

5. Other income

	2020 £	2019 £
Income from Our Daily Bread Ministries (USA)	193,550	456,380
Information systems staff support	91,316	-
Job retention scheme	26,207	-
	<u>311,073</u>	<u>456,380</u>

6. Charitable activities costs

	Direct Costs £	Support costs (see note 7) £	Totals £
Christian literature	266,435	41,516	307,951
International ministry	409,153	5,358	414,511
Biblical literature	1,106,405	108,192	1,214,597
	<u>1,781,993</u>	<u>155,066</u>	<u>1,937,059</u>

7. Support costs

	Finance £	Other £	Governance costs £	Totals £
Christian literature	4,264	35,038	2,214	41,516
International ministry	-	5,358	-	5,358
Biblical literature	11,120	91,381	5,691	108,192
	<u>15,384</u>	<u>131,777</u>	<u>7,905</u>	<u>155,066</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**8. Auditors' remuneration**

The auditors' remuneration for the year in respect of the audit of the financial statements was £6,559 (2019 - £6,388) including VAT.

**9. Trustees' remuneration and benefits**

There were no trustees' remuneration or other benefits for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**Trustees' expenses**

There were no trustees' expenses paid for the year ended 31 December 2020 nor for the year ended 31 December 2019.

**10. Staff costs**

	<b>2020</b>	<b>2019</b>
	<b>£</b>	<b>£</b>
Wages and salaries	595,930	530,788
Social security costs	46,004	41,676
Other pension costs	23,431	27,595
	<u>665,365</u>	<u>600,059</u>

The average monthly number of employees during the year was 25 (2019 - 24).

The number of employees whose emoluments fell within the £70,001 - £80,000 band was 1 (2019 - nil).

During the year the total remuneration paid in respect of key management personnel was £154,360 (2019 - £117,119).

**11. Comparatives for the statement of financial activities**

	<b>Unrestricted fund</b>	<b>Restricted fund</b>	<b>Total funds</b>
	<b>£</b>	<b>£</b>	<b>£</b>
<b>Income and endowments from</b>			
Donations and legacies	1,573,560	-	1,573,560
<b>Charitable activities</b>			
Christian literature	164,439	-	164,439
International ministry	22,815	-	22,815
Investment income	362	-	362
Other income	456,380	-	456,380
<b>Total</b>	<u>2,217,556</u>	<u>-</u>	<u>2,217,556</u>
<b>Expenditure on</b>			
<b>Charitable activities</b>			
Christian literature	234,070	-	234,070
International ministry	465,873	-	465,873

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**11. Comparatives for the statement of financial activities - continued**

	<b>Unrestricted fund £</b>	<b>Restricted fund £</b>	<b>Total funds £</b>
Biblical literature	1,328,742	-	1,328,742
<b>Total</b>	2,028,685	-	2,028,685
<b>NET INCOME</b>	188,871	-	188,871
<b>Reconciliation of funds</b>			
<b>Total funds brought forward</b>	820,788	-	820,788
<b>Total funds carried forward</b>	1,009,659	-	1,009,659

**12. Foreign currency**

The foreign exchange losses recognised in net income/expenditure during the year were £5,358 (2019 - £1,832).

**13. Tangible fixed assets**

	<b>Long leasehold £</b>	<b>Fixtures and fittings £</b>	<b>Totals £</b>
<b>Cost</b>			
At 1 January 2020	1,106,234	271,078	1,377,312
Additions	-	8,139	8,139
At 31 December 2020	1,106,234	279,217	1,385,451
<b>Depreciation</b>			
At 1 January 2020	343,056	205,704	548,760
Charge for year	30,056	22,667	52,723
At 31 December 2020	373,112	228,371	601,483
<b>Net book value</b>			
At 31 December 2020	733,122	50,846	783,968
At 31 December 2019	763,178	65,374	828,552

OUR DAILY BREAD MINISTRIES TRUST

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

14. Stocks

	2020 £	2019 £
Stocks	78,574	54,566

15. Debtors: amounts falling due within one year

	2020 £	2019 £
Trade debtors	2,156	2,724
Other debtors	51,622	26,294
Prepayments and accrued income	40,380	41,716
	94,158	70,734

16. Creditors: amounts falling due within one year

	2020 £	2019 £
Trade creditors	33,799	42,087
Social security and other taxes	13,722	15,296
VAT	4,280	5,286
Other creditors	27,755	30,118
Accrued expenses	40,164	38,122
	119,720	130,909

17. Analysis of net assets between funds

	Unrestricted fund £	Restricted fund £	2020 Total funds £	2019 Total funds £
Fixed assets	783,968	-	783,968	828,552
Current assets	677,712	-	677,712	312,016
Current liabilities	(119,720)	-	(119,720)	(130,909)
	1,341,960	-	1,341,960	1,009,659

18. Movement in funds

	At 1/1/20 £	Net movement in funds £	At 31/12/20 £
<b>Unrestricted funds</b>			
General fund	1,009,659	332,301	1,341,960
<b>TOTAL FUNDS</b>	1,009,659	332,301	1,341,960

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. Movement in funds - continued**

Net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,269,360	(1,937,059)	332,301
<b>TOTAL FUNDS</b>	<u>2,269,360</u>	<u>(1,937,059)</u>	<u>332,301</u>

**Comparatives for movement in funds**

	At 1/1/19 £	Net movement in funds £	At 31/12/19 £
<b>Unrestricted funds</b>			
General fund	820,788	188,871	1,009,659
<b>TOTAL FUNDS</b>	<u>820,788</u>	<u>188,871</u>	<u>1,009,659</u>

Comparative net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	2,217,556	(2,028,685)	188,871
<b>TOTAL FUNDS</b>	<u>2,217,556</u>	<u>(2,028,685)</u>	<u>188,871</u>

A current year 12 months and prior year 12 months combined position is as follows:

	At 1/1/19 £	Net movement in funds £	At 31/12/20 £
<b>Unrestricted funds</b>			
General fund	820,788	521,172	1,341,960
<b>TOTAL FUNDS</b>	<u>820,788</u>	<u>521,172</u>	<u>1,341,960</u>

**NOTES TO THE FINANCIAL STATEMENTS - continued**  
**FOR THE YEAR ENDED 31 DECEMBER 2020**

**18. Movement in funds - continued**

A current year 12 months and prior year 12 months combined net movement in funds, included in the above are as follows:

	Incoming resources £	Resources expended £	Movement in funds £
<b>Unrestricted funds</b>			
General fund	4,486,916	(3,965,744)	521,172
<b>TOTAL FUNDS</b>	<u>4,486,916</u>	<u>(3,965,744)</u>	<u>521,172</u>

**19. Employee benefit obligations**

The charity operates a defined contribution pension scheme. The pension charge for the year represents contributions payable by the charity to the scheme and amounted to £23,431 (2019 - £27,595).

Contributions totalling £26,862 (2019 - £26,036) were payable to the scheme at the end of the year and are included in other creditors.

**20. Related party disclosures**

During the year the charity purchased literature, books and sundry items amounting to £66,575 (2019: £27,731) from Our Daily Bread Ministries (USA), an organisation based in the USA in which Mr R DeHaan is a trustee. The charity received contributions and gifts from Our Daily Bread Ministries (USA) amounting to £5,049 (2019: £3,660). During the year the charity received £193,550 (2019 - £456,380) of support from Our Daily Bread Ministries (USA), which has been recognised in other income. At the year end the charity is owed £25,954 by (2019: owes £4,921 to) Our Daily Bread Ministries (USA).

During the year the charity provided funds of £560 (2019: £2,729) to Our Daily Bread Ministries Ireland, an organisation based in Ireland in which Mr S Mitchell is a trustee and Mr B Watts is a board member, both of whom are also key management members of the charity.

During the year the charity provided funds of £81,406 (2019: £81,270) to Our Daily Bread E.V, an organisation based in Germany whose board members include key management of the UK charity. The charity also provided goods and services to Our Daily Bread E.V, for the sum of £17,504 (2019: £22,702). At the year end the charity is owed £12,767 (2019: £16,686) by Our Daily Bread E.V.

NOTES TO THE FINANCIAL STATEMENTS - continued  
FOR THE YEAR ENDED 31 DECEMBER 2020

21. Reconciliation of net income to net cash flow from operating activities

	2020 £	2019 £
Net income for the reporting period (as per the Statement of Financial Activities)	332,301	188,871
Adjustments for:		
Depreciation charges	52,723	81,425
Loss on disposal of fixed assets	-	538
Interest received	(112)	(362)
Loan written off to other income	-	(300,000)
Increase in stocks	(24,008)	(3,207)
(Increase)/decrease in debtors	(23,424)	26,413
Decrease in creditors	(11,189)	(31,898)
Net cash provided by/(used in) operations	<u>326,291</u>	<u>(38,220)</u>

22.. Analysis of changes in net funds

	At 1/1/20 £	Cash flow £	At 31/12/20 £
Net cash			
Cash at bank and in hand	186,716	318,264	504,980
	<u>186,716</u>	<u>318,264</u>	<u>504,980</u>
Total	<u>186,716</u>	<u>318,264</u>	<u>504,980</u>

# OUR DAILY BREAD MINISTRIES TRUST

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
<b>Income and endowments</b>		
<b>Donations and legacies</b>		
Donations	1,438,380	1,296,291
Gift aid	115,764	111,136
Legacies	150,016	166,133
	<u>1,704,160</u>	<u>1,573,560</u>
<b>Investment income</b>		
Deposit account interest	112	362
<b>Charitable activities</b>		
International support	17,557	22,815
Christian literature	236,458	164,439
	<u>254,015</u>	<u>187,254</u>
<b>Other income</b>		
Income from Our Daily Bread Ministries (USA)	193,550	456,380
Information systems staff support	91,316	-
Job retention scheme	26,207	-
	<u>311,073</u>	<u>456,380</u>
<b>Total incoming resources</b>	<u>2,269,360</u>	<u>2,217,556</u>
<b>Expenditure</b>		
<b>Charitable activities</b>		
Wages	595,930	530,788
Social security	46,004	41,676
Pensions	23,431	27,595
Purchase of literature for distribution	355,380	405,010
Purchase of books, CDs, DVDs and calendars	130,445	75,362
VAT on overheads	44	4,121
VAT paid on building	2,371	2,409
Bible conference and presentations	16,542	27,101
Freight and carriage	284,445	313,859
Subcontracted mailing services	19,809	6,794
International ministry expenses	301,961	360,488
Private health insurance	1,323	-
Staff training	4,308	7,903
	<u>1,781,993</u>	<u>1,803,106</u>

This page does not form part of the statutory financial statements

# OUR DAILY BREAD MINISTRIES TRUST

## DETAILED STATEMENT OF FINANCIAL ACTIVITIES FOR THE YEAR ENDED 31 DECEMBER 2020

	2020 £	2019 £
<b>Support costs</b>		
<b>Finance</b>		
Bank charges	15,384	13,091
<b>Other</b>		
Rates and water	9,972	13,143
Insurance	3,962	3,585
Light and heat	6,683	7,715
Telephone	5,266	4,305
Stationery and photocopying	6,724	8,523
Sundries	6,758	10,409
Maintenance	16,330	26,354
Computer maintenance	11,107	12,152
Travel and subsistence	6,894	35,765
Foreign currency (gains)/losses	5,358	1,832
Depreciation of long leasehold property	30,057	55,083
Depreciation of fixtures and fittings	22,666	26,342
(Profit)/loss on sale of tangible fixed assets	-	538
	<u>131,777</u>	<u>205,746</u>
<b>Governance costs</b>		
Audit fees	6,559	6,388
Legal and professional fees	1,346	354
	<u>7,905</u>	<u>6,742</u>
Total resources expended	<u>1,937,059</u>	<u>2,028,685</u>
<b>Net income</b>	<u><u>332,301</u></u>	<u><u>188,871</u></u>

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